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COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF PUBLIC WELFARE

MAYVIEW STATE HOSPITAL

BRIDGEVILLE, PENNSYLVANIA

AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 1975 AND 1974

RECEIVED
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COMMONWEALTH OF PENNSYLVANIA

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COMMONWEALTH OF PENNSYLVANIA



COMMONWEALTH OF PENNSYLVANIA

OFFICE OF THE

AUDITOR GENERAL

HARRISBURG 17120

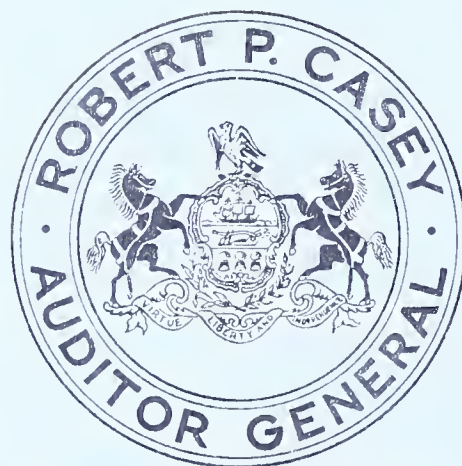
ROBERT P. CASEY
AUDITOR GENERAL

Milton J. Shapp, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

We have examined the statements of allocations of Commonwealth Funds of Mayview State Hospital, Bridgeville, Pennsylvania, as of June 30, 1975 and 1974, and the related statements of cash receipts and disbursements resulting from cash transactions for the years then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The field work was completed January 2, 1976.

In our opinion, the aforementioned statements present fairly the status of the various allocations of Commonwealth Funds of Mayview State Hospital as of June 30, 1975 and 1974 and the cash basis operations for the years then ended, in conformity with legal requirements and generally accepted accounting principles applicable to the Commonwealth of Pennsylvania applied on a basis consistent with that of the preceding year.

Robert P. Casey
Robert P. Casey
Auditor General



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Statement of Allocations
For the Year Ended June 30, 1975

<u>Act</u>	<u>General Fund Allocations</u>			<u>Total</u>
	<u>1971-1972</u> <u>27-A</u>	<u>1973-1974</u> <u>11-A</u>	<u>1974-1975</u> <u>21-A</u>	
Balance June 30, 1974	\$ --	--	--	--
Encumbered June 30, 1974	24,691	1,210,700	--	1,235,391
Current Allocations	--	--	12,865,550	12,865,550
Allocation Adjustments	--	3,006	1,147,609	1,150,615
Federal Share of Pennsylvania Medical Assistance	--	--	3,580,000	3,580,000
Credits to Allocations	--	--	1,517,704	1,517,704
Total Available	<u>24,691</u>	<u>1,213,706</u>	<u>19,110,863</u>	<u>20,349,260</u>
Expenses Paid	8,162	1,067,162	17,810,834	18,886,158
Maintenance Recovered	--	(294)	(11,963)	(12,257)
Requests for Expenses Not Warranted	--	--	82,702	82,702
Total Disbursements	8,162	1,066,868	17,881,573	18,956,603
Encumbered June 30, 1975	11,587	--	1,229,290	1,240,877
Lapsed June 30, 1975	<u>4,942</u>	<u>146,838</u>	<u>--</u>	<u>151,780</u>
Total Reductions	<u>24,691</u>	<u>1,213,706</u>	<u>19,110,863</u>	<u>20,349,260</u>
Balance June 30, 1975	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>

See Accompanying Notes to Financial Statements.



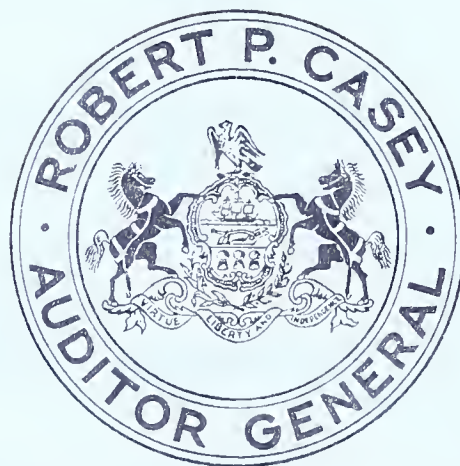
COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Statement of Allocations
For the Year Ended June 30, 1974

<u>Act</u>	<u>General Fund Allocations</u>			<u>Total</u>
	<u>1971-1972</u> <u>27-A</u>	<u>1972-1973</u> <u>17-A</u>	<u>1973-1974</u> <u>11-A</u>	
Balance June 30, 1973	\$ --	99	--	99
Encumbered June 30, 1973	65,922	570,976	--	636,898
Current Allocations	--	--	10,000,000	10,000,000
Allocation Adjustments	--	1,158	1,584,346	1,585,504
Federal Share of Pennsylvania Medical Assistance	--	--	3,600,306	3,600,306
Credits to Allocations	--	--	1,588,301	1,588,301
Total Available	<u>65,922</u>	<u>572,233</u>	<u>16,772,953</u>	<u>17,411,108</u>
Expenses Paid	41,231	572,580	15,518,237	16,132,048
Maintenance Recovered	--	(462)	(8,615)	(9,077)
Requests for Expenses Not Warranted	--	--	52,631	52,631
Total Disbursements	41,231	572,118	15,562,253	16,175,602
Encumbered June 30, 1974	24,691	--	1,210,700	1,235,391
Lapsed June 30, 1974	--	115	--	115
Total Reductions	<u>65,922</u>	<u>572,233</u>	<u>16,772,953</u>	<u>17,411,108</u>
Balance June 30, 1974	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>

See Accompanying Notes to Financial Statements.



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Comparative Statement of Cash Receipts and Disbursements
For the Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>	<u>Increase (Decrease)</u>
<u>Receipts</u>			
Full-Pay Patients	\$ 719,631	780,357	(60,726)
Part-Pay Patients	447,344	514,559	(67,215)
Terminal	11,801	50,611	(38,810)
Department of Justice	39,423	28,073	11,350
Miscellaneous	12,503	90,963	(78,460)
Pennsylvania Medical Assistance			
Credits	3,580,000	3,600,306	(20,306)
Disbursements Reimbursed	<u>287,002</u>	<u>123,006</u>	<u>163,996</u>
Total	<u>5,097,704</u>	<u>5,187,875</u>	<u>(90,171)</u>
<u>Disbursements</u>			
Salaries	12,301,613	11,177,839	1,123,774
Overtime	329,963	203,805	126,158
Shift Differential Pay	122,188	107,249	14,939
Wages	45,873	47,607	(1,734)
Wages - Patient	64,664	--	64,664
Employees Health and Welfare Fund	92,084	37,863	54,221
Employees Hospitalization Insurance	394,956	392,705	2,251
Social Security	670,778	604,073	66,705
Retirement	1,258,268	667,846	590,422
State Workmen's Insurance			
Premium Payments	95,084	59,614	35,470
Employees Group Life Insurance	95,451	92,175	3,276
Out-Service Training	12,151	4,779	7,372
Unemployment Compensation	10,166	9,290	876
Maintenance Recovered	(12,257)	(9,077)	(3,180)
Civil Service Commission Services	56,596	58,889	(2,293)
Contracted Repairs	17,806	102,470	(84,664)
Classification and Pay Services	5,332	--	5,332
Data Processing Services	48,549	46,317	2,232
Consultant Fees	1,310	4,340	(3,030)
Specialized Services	52,999	29,129	23,870
Legal Fees	100	--	100
Clinic Services - Medical, Mental, and Dental	78,968	61,810	17,158
Printing	409	--	409
Prosthetic Appliances	389	1,852	(1,463)
Advertising	<u>192</u>	<u>246</u>	<u>(54)</u>
Carried Forward	15,743,632	13,700,821	2,042,811

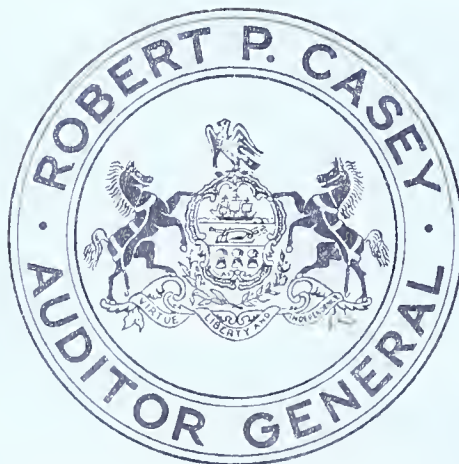


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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Comparative Statement of Cash Receipts and Disbursements (Continued)
For the Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>	Increase (Decrease)
<u>Disbursements (Continued)</u>			
Brought Forward	15,743,632	13,700,821	2,042,811
Postage	12,168	10,102	2,066
Freight Charges	2,518	454	2,064
Telephone and Telegraph	67,047	63,693	3,354
Travel	16,408	12,275	4,133
Water and Sewerage	89,814	78,828	10,986
Electricity	168,897	112,224	56,673
Heating Fuel	731,413	447,839	283,574
Subscriptions (Trade Journals, etc.)	3,487	2,683	804
Membership Dues	442	469	(27)
Insurance, Surety and Fidelity Bonds	13,107	6,569	6,538
Motorized Equipment Supplies	21,303	22,520	(1,217)
Motorized Equipment Repairs	--	612	(612)
Contracted Maintenance Service -			
Buildings and Grounds	39,687	41,073	(1,386)
Contracted Maintenance Service -			
Office Equipment	7,064	7,813	(749)
Contracted Maintenance Service -			
Other	3,515	11,045	(7,530)
Rent of Real Estate	6,601	6,601	--
Rent of EDP Equipment	--	1,130	(1,130)
Motorized Equipment Rentals	--	16	(16)
Other Equipment Rentals	7,389	7,146	243
Drugs	273,091	205,696	67,395
Laboratory Supplies	15,799	16,022	(223)
Medical Supplies (Other than Drugs)	83,601	73,125	10,476
Wearing Apparel	129,911	89,796	40,115
Food	920,253	852,515	67,738
Housekeeping Supplies	231,976	161,774	70,202
Office Supplies	17,953	12,349	5,604
Educational Supplies and Services	8,313	9,347	(1,034)
Agricultural Supplies and Services	85,040	72,484	12,556
Recreational Supplies and Services	163	1,940	(1,777)
Religious Supplies	537	605	(68)
Maintenance Materials and Supplies	149,624	97,838	51,786
Other Services and Supplies	--	151	(151)
Carried Forward	18,850,753	16,127,555	2,723,198



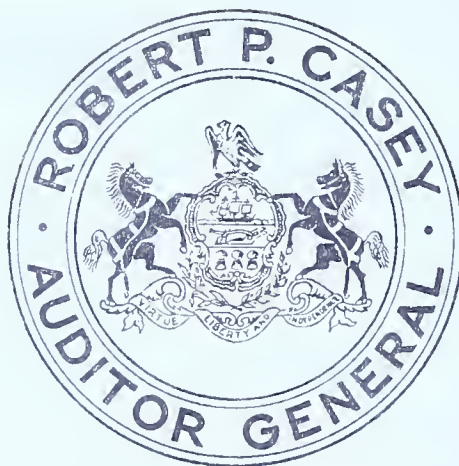
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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Comparative Statement of Cash Receipts and Disbursements (Continued)
For the Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>	<u>Increase (Decrease)</u>
<u>Disbursements (Continued)</u>			
Brought Forward	18,850,753	16,127,555	2,723,198
Motor Vehicles	--	5,292	(5,292)
Equipment and Machinery	54,618	42,755	11,863
Furniture and Furnishings	26,329	--	26,329
Buildings and Structures	19,488	--	19,488
Nonstructural Improvements	<u>5,415</u>	<u>--</u>	<u>5,415</u>
Total	<u>18,956,603</u>	<u>16,175,602</u>	<u>2,781,001</u>
Excess of Disbursements Over Receipts	<u>\$13,858,899</u>	<u>10,987,727</u>	<u>2,871,172</u>

See Accompanying Notes to Financial Statements.



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Comparative Statement of Cash Receipts and Disbursements
For the Years Ended June 30, 1974 and 1973

	<u>1974</u>	<u>1973</u>	Increase (Decrease)
<u>Receipts</u>			
Full-Pay Patients	\$ 780,357	674,124	106,233
Part-Pay Patients	514,559	503,043	11,516
Terminal	50,611	31,830	18,781
Department of Justice	28,073	84,954	(56,881)
Miscellaneous	90,963	38,021	52,942
Pennsylvania Medical Assistance			
Credits	3,600,306	3,128,089	472,217
Disbursements Reimbursed	<u>123,006</u>	<u>139,273</u>	<u>(16,267)</u>
Total	<u>5,187,875</u>	<u>4,599,334</u>	<u>588,541</u>
<u>Disbursements</u>			
Salaries	11,177,839	10,550,441	627,398
Overtime	203,805	170,506	33,299
Shift Differential Pay	107,249	31,968	75,281
Wages	47,607	2	47,605
Employees Health and Welfare Fund	37,863	--	37,863
Employees Hospitalization Insurance	392,705	335,795	56,910
Social Security	604,073	498,098	105,975
Retirement	667,846	814,887	(147,041)
State Workmen's Insurance			
Premium Payments	59,614	40,744	18,870
Employees Group Life Insurance	92,175	77,278	14,897
Out-Service Training	4,779	4,056	723
Unemployment Compensation	9,290	5,334	3,956
Maintenance Recovered	(9,077)	(13,310)	4,233
Civil Service Commission Services	58,889	44,924	13,965
Contracted Repairs	102,470	54,282	48,188
Classification and Pay Services	--	4,226	(4,226)
Purchasing Services	--	544	(544)
Data Processing Services	46,317	40,169	6,148
Consultant Fees	4,340	79	4,261
Specialized Services	29,129	49,978	(20,849)
Treasury Department Services	--	25	(25)
Legal Fees	--	22	(22)
Clinic Services - Medical, Mental, and Dental	61,810	26,356	35,454
Printing	--	1,103	(1,103)
Prosthetic Appliances	1,852	--	1,852
Advertising	<u>246</u>	<u>141</u>	<u>105</u>
Carried Forward	13,700,821	12,737,648	963,173



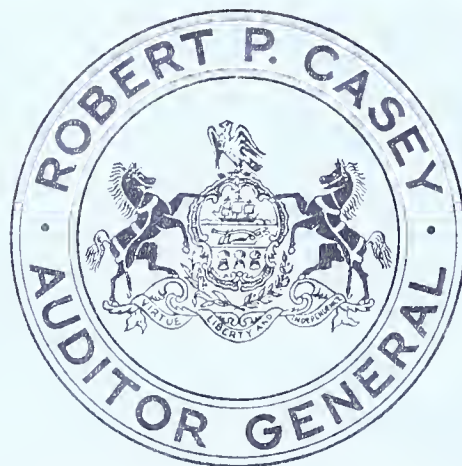
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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Comparative Statement of Cash Receipts and Disbursements (Continued)
For the Years Ended June 30, 1974 and 1973

	<u>1974</u>	<u>1973</u>	<u>(Decrease)</u>
<u>Disbursements (Continued)</u>			
Brought Forward	13,700,821	12,737,648	963,173
Postage	10,102	8,241	1,861
Freight Charges	454	1,625	(1,171)
Telephone and Telegraph	63,693	76,846	(13,153)
Travel	12,275	13,839	(1,564)
Water and Sewerage	78,828	60,920	17,908
Electricity	112,224	106,943	5,281
Heating Fuel	447,839	241,581	206,258
Subscriptions (Trade Journals, etc.)	2,683	2,268	415
Membership Dues	469	469	--
Insurance, Surety and Fidelity Bonds	6,569	2,265	4,304
Motorized Equipment Supplies	22,520	13,222	9,298
Motorized Equipment Repairs	612	570	42
Contracted Maintenance Service -			
Buildings and Grounds	41,073	42,890	(1,817)
Contracted Maintenance Service -			
Office Equipment	7,813	8,276	(463)
Contracted Maintenance Service -			
Other	11,045	10,365	680
Rent of Real Estate	6,601	6,601	--
Rent of EDP Equipment	1,130	4,057	(2,927)
Motorized Equipment Rentals	16	5,892	(5,876)
Other Equipment Rentals	7,146	4,859	2,287
Drugs	205,696	238,107	(32,411)
Laboratory Supplies	16,022	33,438	(17,416)
Medical Supplies (Other than Drugs)	73,125	37,034	36,091
Wearing Apparel	89,796	68,089	21,707
Food	852,515	751,432	101,083
Housekeeping Supplies	161,774	151,064	10,710
Office Supplies	12,349	11,813	536
Educational Supplies and Services	9,347	8,780	567
Agricultural Supplies and Services	72,484	58,524	13,960
Recreational Supplies and Services	1,940	2,547	(607)
Religious Supplies	605	166	439
Maintenance Materials and Supplies	97,838	100,426	(2,588)
Other Services and Supplies	151	474	(323)
Motor Vehicles	5,292	--	5,292
Equipment and Machinery	42,755	122,706	(79,951)
Furniture and Furnishings	--	14,197	(14,197)
Total	<u>16,175,602</u>	<u>14,948,174</u>	<u>1,227,428</u>
Excess of Disbursements Over Receipts	<u>\$10,987,727</u>	<u>10,348,840</u>	<u>638,887</u>

See Accompanying Notes to Financial Statements.



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Notes to Financial Statements
June 30, 1975

Note 1: Accounts Receivable

Accounts receivable at June 30, 1975 amounted to \$2,537,524, consisting of:

Due from Patients	\$ 328,395
Terminal	16,713
Accounts Submitted to Department of Justice for Collection or Write-off	669,604
Due from Pennsylvania Medical Assistance	<u>1,522,812</u>
	<u>\$2,537,524</u>

Services rendered for indigent patients amounted to \$9,361,036 for the year ended June 30, 1975.

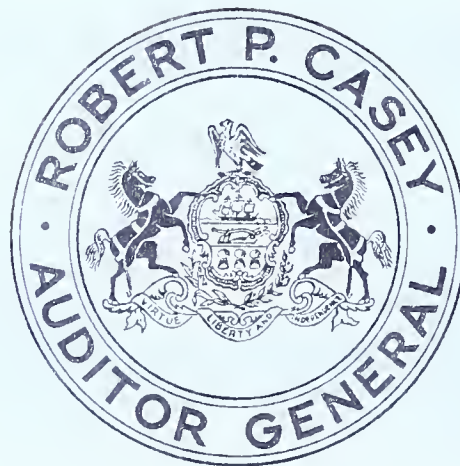
Note 2: Receipts

Cash receipts for the fiscal years ended June 30, 1975 and 1974 amounted to \$5,097,704 and \$5,187,875, respectively, a decrease of \$90,171, principally due to Senate Bill #53, which relieved spouses and children of any liability for maintenance charges, and a decrease in medical assistance payments.

Note 3: Disbursements

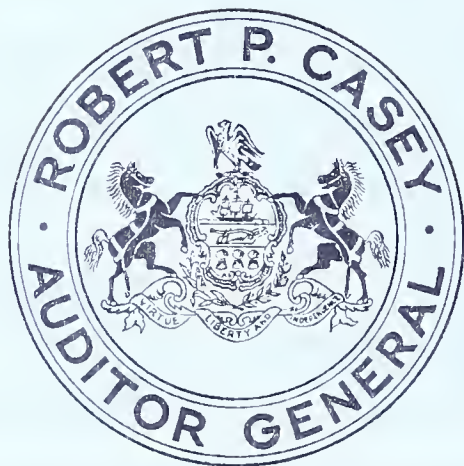
Cash disbursements for the fiscal years ended June 30, 1975 and 1974 amounted to \$18,956,603 and \$16,175,602, respectively, an increase of \$2,781,001, substantially accounted for by the following:

Salaries	\$1,123,774
Increases represent mandated annual increments and a contractual raise of 26¢ per hour for AFSCME members and 5.5% raise for all others. There was also an encumbrance at June 30, 1974 of \$157,681.	
Overtime	126,158
Increased employee hourly rates and an increase of overtime during the hiring freeze between February and May.	
Shift Differential Pay	14,939
Increased hours of overtime in which shift differential is paid.	



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Wages - Patient	\$ 64,664
A program was established in the Department of Public Welfare to pay resident workers an hourly rate for their services. The institution was authorized to employ 98 workers.	
Employees Health and Welfare Fund	54,221
Payment to a new object classification in accordance with union contract provisions effective January 1, 1974.	
(Social Security	66,705
(State Workmen's Insurance Premium Payments	35,470
Reflect increase in salaries, overtime, and wages.	
Out-Service Training	7,372
Greater awareness of this program by the employees who are taking advantage of this fringe benefit. Also, \$3,427 remained in an encumbered status at June 30, 1974.	
Classification and Pay Services	5,332
Due to increased cost of this service.	
Specialized Services	23,870
Due to increased cost of this service. Also, at June 30, 1974 \$2,510 was in an encumbered status.	
Clinic Services - Medical, Mental, and Dental	17,158
The contract with Suburban Physical Therapy had been increased to conform with the requirements of Medicare. There was also an encumbrance of \$29,678 at June 30, 1974.	
Travel	4,133
Increased allowance for travel in mileage and hotel accommodations.	
Water and Sewerage	10,986
Increase due to higher water usage rate.	
Electricity	56,673
Increased costs by higher rates now in effect.	
Heating Fuel	283,574
Reflects the increased costs in fuel. Also, an encumbrance of \$47,658 remained at June 30, 1974.	
Drugs	67,395
Increased cost of drugs, and \$56,236 remaining in an encumbrance status at June 30, 1974.	
Wearing Apparel	40,115
\$37,799 remained in an encumbrance status at June 30, 1974.	
Food	67,738
Reflects increased costs, also \$31,561 was encumbered at June 30, 1974.	

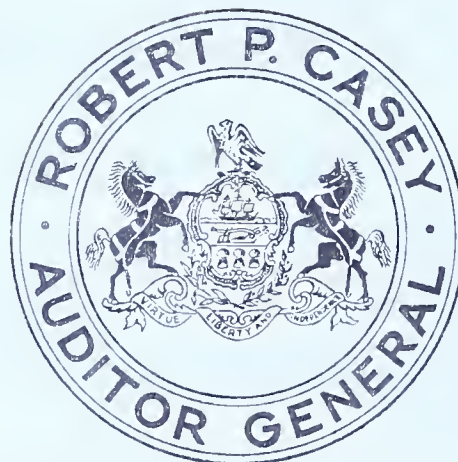


COMMONWEALTH OF PENNSYLVANIA

Housekeeping Supplies	\$70,202
Reflects the increased use of disposable paper and plastic tableware in the dietary department due to the breakdown in washing equipment. Also, \$24,699 was encumbered at June 30, 1974.	
Agricultural Supplies and Services	12,556
Increased cost of fertilizer.	
Maintenance Materials and Supplies	51,786
Reflects moneys received under Act 34, which provided money for improvement in grounds and buildings, and \$15,338 was in an encumbered status at June 30, 1974.	
Equipment and Machinery	11,863
Purchase of four polishing and scrubbing machines and pot and pan washing machines for dietary.	
Furniture and Furnishings	26,329
Additional purchases of beds and bed-sidings, plus various office equipment.	
Buildings and Structures	19,488
Repairs to exterior South 2 brick wall, and modernizing two elevators in Medical Building.	
Nonstructural Improvements	5,415
Replacement of 130 feet of 4-inch pipe in makeup line at the power plant.	

These increases were offset somewhat by the following decreases:

Contracted Repairs	(\$84,664)
Major roof repairs were completed in the fiscal year 1973-74; other major repairs were canceled by Department of Property and Supplies.	
Consultant Fees	(3,030)
Contracts with physicians that had been charged to this object code are now charged to Object 315.	
Contracted Maintenance Service - Other	(7,530)
Results of two one-time contracts in the South 2 Building to remove smoke odors due to a fire.	
Rent of EDP Equipment	(1,130)
A charge to institution by Harrisburg office.	
Motor Vehicles	(5,292)
The quarterly charge for rental of motor vehicles for this fiscal year was charged to the prior year.	



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Note 4: Bonded Employees

All employees of the Hospital are covered by a public employees blanket bond in the amount of \$10,000 for faithful performance blanket position bond coverage and a \$190,000 faithful performance blanket bond insured by The Travelers Indemnity Company. In addition, the superintendent is bonded by The Travelers Indemnity Company in the amount of \$90,000. The revenue agent is additionally bonded for his management of the Guardianship Account by the United States Fidelity and Guaranty Company in the amount of \$296,000.

Note 5: Operating Capacity

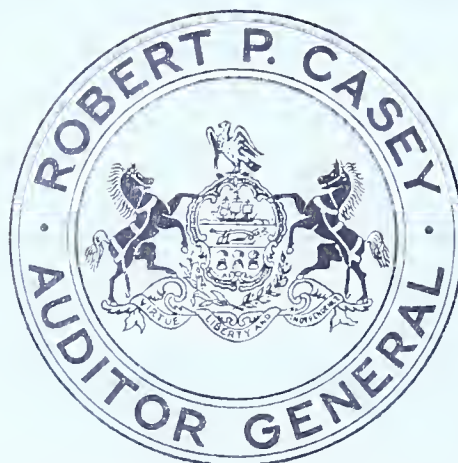
Mayview State Hospital has a rated bed capacity of 1,748 patients. During the year under review the average daily population was 1,635 patients, or 93.5% of capacity. Total patient days for the year under review was 596,544.

Note 6: Patient Care Ratio

As of November 19, 1975, the patient care ratio was analyzed within the working shifts and is compared with the previous year as follows:

	Prior Year Ratio
1st shift (7:00 a.m. to 3:30 p.m.) - 177 employees or 1 employee to each 9.0 patients	1:10.0
2nd shift (3:00 p.m. to 11:30 p.m.) - 134 employees or 1 employee to each 11.9 patients	1:13.1
3rd shift (11:30 p.m. to 7:30 a.m.) - 113 employees or 1 employee to each 14.1 patients	1:15.8

The above ratios were based on 1,592 patients and 424 direct care employees.



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Findings and Recommendations
June 30, 1975

PREVIOUS YEAR FINDINGS

Finding No. 1: Community Services Center

Background

Mayview State Hospital operates a Community Services Center, located in the Renshaw Building, Ninth Street, Pittsburgh, which was administering direct service to 669 outpatients at June 30, 1975. All expenses incurred from serving these patients were from the institution's appropriation. We recommended that a plan to charge qualified patients for these outpatient services be initiated.

Finding

We found that Mayview State Hospital did not receive a plan to initiate charging patients for services at the Community Services Center. The superintendent at Mayview stated that this Center will soon be transferred over to Allegheny County Community Mental Health/Mental Retardation Program.

Recommendation

We again recommend that the Bureau of Administrative Services and the Department of Public Welfare initiate a plan to charge qualified patients for these outpatient services, or transfer this operation to the Allegheny County Community MH/MR Program as soon as possible.

Finding No. 2: Use of Commonwealth Telephones

Background

Employees may use the office or institution phone to place local calls at the discretion of the office head or the superintendent, but personal toll calls must be made from pay stations or charged to the employee's home phone, as per Section 6713 of the Department of Public Welfare Manual.

Finding

A review of last year's findings indicates that an improvement has been made in dealing with this problem of employees' use of the institution phones. The toll charges are being collected promptly and instruction of proper dialing of local calls has been initiated. A simplified Metropolitan Phone System is being studied for use at the institution. In view of these improvements, we believe our recommendation has been complied with.



COMMONWEALTH OF PENNSYLVANIA

Finding No. 3: Patient Accounting Inadequate

Background

The revenue office at each institution, under the direction of the Bureau of Institutional Collections, Department of Public Welfare, is responsible for the collection of all moneys due the Commonwealth for the care and treatment of patients in state institutions. We previously recommended that internal controls be upgraded and that patient accounting procedures be brought into compliance with DPW instructions.

Finding

Our review of the procedures in handling patients' accounts revealed that the antiquated equipment available for posting patients' accounts has caused the employees in the department to rely on inefficient hand posting of patients' accounts, thus making it impossible to keep the work current.

Recommendation

We again recommend that the Bureau of Institutional Collections and the Department of Public Welfare review the needs of the revenue office and supply it with proper equipment to resolve its operational problems.

Finding No. 4: Lack of Interest in Bidding by Vendors

Background

Each institution is supplied with an approved list of vendors for the purpose of submitting specifications for items not available thru the Commonwealth's centralized procurement.

Finding

A review of the bid requests and the number of vendors replying to the requests revealed that only 60% of the vendors replied, and 50% of those replying submitted no bid. It is our opinion that the lack of interest by vendors is due to the excessive lapse of time between delivery by the vendor and subsequent payment.

Recommendation

We again recommend that the Department of Public Welfare review this situation and make every effort to reduce the time required to process invoices for payment.



COMMONWEALTH OF PENNSYLVANIA

Finding No. 5: Combustible Draperies and Curtains on Windows

Background

Chapter 17, Section 4151, of Life Safety Code 67 specifies that combustible draperies and curtains shall either be removed or be rendered and maintained flame retardant.

During the previous year's tour of inspection of the institution it was revealed that there were numerous pairs of flammable draperies in North 2 Annex Building, Ward II.

Finding

Our current tour of inspection revealed that the draperies in North 2 Annex Building, Ward II have been removed and the institution is attempting to purchase all new draperies to comply with the Code.

In view of these actions we feel our recommendation has been complied with.

Finding No. 6: Allegheny County Delinquent Accounts

Background

Many patients who are admitted to Mayview State Hospital are Allegheny County criminal court commitments. The charges for these patients, while using the facilities of Mayview State Hospital, are to be paid by Allegheny County.

Finding

A review of records maintained in the revenue office at Mayview State Hospital reveals that Allegheny County is still delinquent in meeting its obligations for the fiscal years ending June 30, 1975 and 1974 in the amount of \$114,480. This represents charges due the Commonwealth for the care of patients committed by the Allegheny County criminal court.

Recommendation

The Auditor General's office again recommends that the Department of Public Welfare review this situation and make every effort to induce Allegheny County to pay its delinquent obligation to Mayview State Hospital.



COMMONWEALTH OF PENNSYLVANIA

Finding No. 7: Tour of Grounds and Buildings

Background

With each audit of a state-owned facility a tour of the buildings and grounds is made by the audit staff.

Finding

A tour of the grounds at Mayview State Hospital revealed that a number of buildings are not occupied, and if some use is not found for these buildings, they will deteriorate to a point beyond reclamation. F, G, and H Buildings each have a Life Safety Code Standard rated capacity of approximately 90 beds. Each building would require about \$350,000 expenditure to bring them up to the Life Safety Code Standards.

There are nine dwellings that were built to house employees living on the grounds, and again if some attention is not given to these dwellings, they in turn will deteriorate beyond repair and thus will become a health and safety hazard. The present maintenance staff is unable to maintain these structures.

Also, a number of dead trees are still on the grounds which create a hazard to patients and employees.

Recommendation

We recommend that the Department of Public Welfare reach a firm decision on the disposal of the buildings that are now vacant. The dead trees should be removed and necessary tree pruning should be done to enhance the appearance of the grounds.

Finding No. 8: The Fixed Asset Records Are Not in Compliance with the Department of Public Welfare Manual

Background

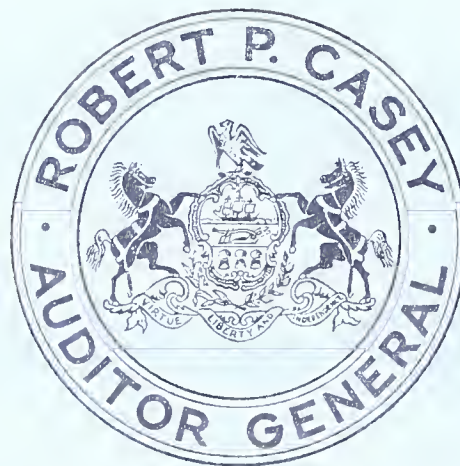
Section 3740 of the Department of Public Welfare Manual specifies the forms and procedures each institution must follow to properly record and control fixed assets.

Finding

Our audit disclosed that inventory tests of fixed assets have not been performed for many years. The ledger did not identify asset purchases by serial or model numbers, vendor, location, or which department in the institution was accountable for the asset. A card system supporting the fixed asset ledger has been installed, but is incomplete.

Recommendation

We again recommend that the Department of Public Welfare review this situation and assist the personnel of Mayview State Hospital to establish and maintain a complete control of fixed assets.



COMMONWEALTH OF PENNSYLVANIA

CURRENT YEAR FINDINGS

Finding: Research - Non-Federal - Cost Center 17000

Mayview State Hospital is operating a research center which is maintained by Commonwealth funds.

Finding

We were unable to determine the purpose of the research center during our audit. Further, we were unable to determine what, if any, results were being derived from this function.

Recommendation

We recommend that the Department of Public Welfare review the cost/benefit ratio of maintaining a research center at this state facility.



COMMONWEALTH OF PENNSYLVANIA



COMMONWEALTH OF PENNSYLVANIA

OFFICE OF THE
AUDITOR GENERAL
HARRISBURG 17120

ROBERT P. CASEY
AUDITOR GENERAL

Milton J. Shapp, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

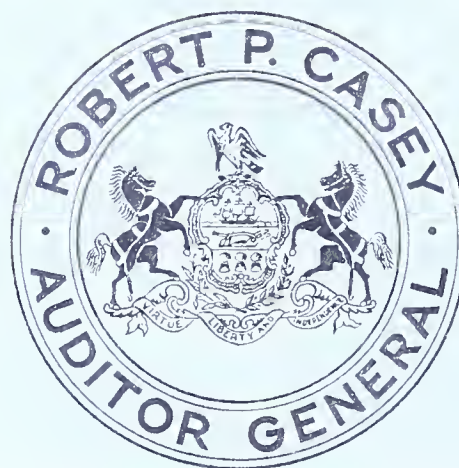
We have examined the balance sheets of the Little Store Fund of Mayview State Hospital, Bridgeville, Pennsylvania, as of June 30, 1975 and 1974, and the related statements of income and retained earnings for the years then ended. The field work was completed January 2, 1976. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as noted in the following paragraph.

We were not in attendance at the taking of the physical inventory as of June 30, 1975 and 1974. Accordingly, we do not express an opinion concerning such inventory, stated at \$7,714 and \$12,561, respectively.

Because the inventories at June 30, 1975 and 1974 enter materially into the determination of financial position and results of operations, we are unable to express an opinion on the accompanying financial statements taken as a whole.

Robert P. Casey

Robert P. Casey
Auditor General



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Balance Sheet
June 30, 1975

Assets

Current Assets

Cash:

On Hand and on Deposit	\$76,349		
Savings Certificate of Deposit	<u>37,980</u>	114,329	
Accounts Receivable		86	
Inventory (at Cost)		<u>7,714</u>	122,129

Fixed Assets

Furniture and Equipment	28,406		
Less Allowance for Depreciation	<u>21,266</u>		<u>7,140</u>

Total Assets			<u>\$129,269</u>
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Liabilities and Retained Earnings

Current Liabilities

Unredeemed Coupon Books	\$ 4,223		
Sales Tax Payable	348		
Reimbursement Due Commonwealth (Payroll)	<u>14,896</u>	19,467	

Retained Earnings

Total Liabilities and Retained Earnings			<u>\$129,269</u>
--	--	--	------------------

See Accompanying Notes to Financial Statements.



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Balance Sheet
June 30, 1974

Assets

Current Assets

Cash:

On Hand and on Deposit	\$88,097		
Savings Certificate of Deposit	<u>36,000</u>	124,097	
Accounts Receivable		33	
Inventory (at Cost)		<u>12,561</u>	136,691

Fixed Assets

Furniture and Equipment	25,317		
Less Allowance for Depreciation	<u>18,379</u>		<u>6,938</u>

Total Assets			<u>\$143,629</u>
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Liabilities and Retained Earnings

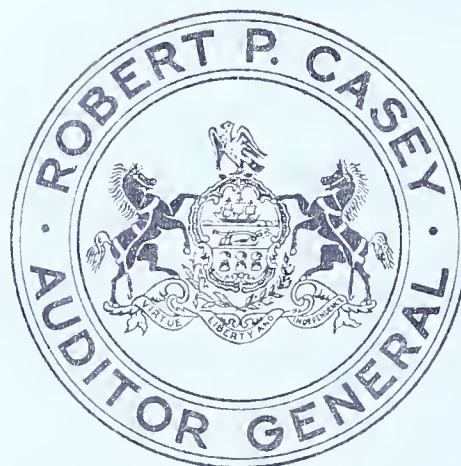
Current Liabilities

Unredeemed Coupon Books	\$ 4,695		
Sales Tax Payable	461		
Reimbursement Due Commonwealth (Payroll)	<u>15,638</u>	20,794	

Retained Earnings

Total Liabilities and Retained Earnings			<u>\$143,629</u>
--	--	--	------------------

See Accompanying Notes to Financial Statements.

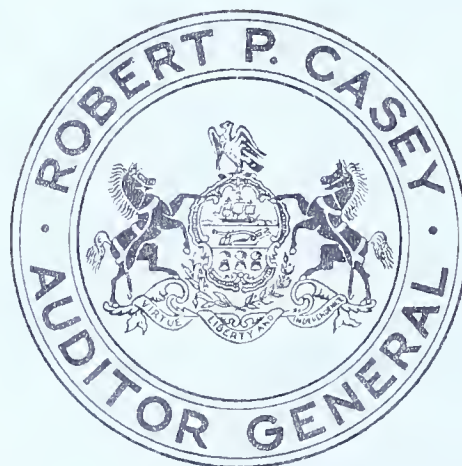


COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Comparative Statement of Income and Retained Earnings
For the Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>	<u>Increase (Decrease)</u>
Sales	<u>\$304,102</u>	<u>289,820</u>	<u>14,282</u>
Cost of Sales:			
Inventory Beginning of Year	12,561	11,528	1,033
Purchases	<u>209,432</u>	<u>184,182</u>	<u>25,250</u>
	221,993	195,710	26,283
Inventory End of Year	<u>7,714</u>	<u>12,561</u>	<u>(4,847)</u>
Cost of Sales	<u>214,279</u>	<u>183,149</u>	<u>31,130</u>
Gross Profit on Sales	<u>89,823</u>	<u>106,671</u>	<u>(16,848)</u>
Operating Expenses:			
Salaries	69,444	66,759	2,685
Patient Help	636	5,994	(5,358)
Social Security Tax	3,942	4,110	(168)
State Retirement	8,155	4,959	3,196
State Hospitalization	3,070	2,553	517
State Life Insurance	520	528	(8)
State Health and Welfare	738	348	390
General Store Expense (Supplies)	5,185	6,126	(941)
Printing Coupons	--	1,801	(1,801)
Repairs	641	10,964	(10,323)
Depreciation (Straight-Line Method)	<u>2,887</u>	<u>2,446</u>	<u>441</u>
Total Operating Expenses	<u>95,218</u>	<u>106,588</u>	<u>(11,370)</u>
Net Profit from Operations	<u>(5,395)</u>	<u>83</u>	<u>(5,478)</u>
Other Income:			
Commission on Vending Machines	10,480	9,009	1,471
Interest Earned	8,026	1,195	6,831
Other Income	2,429	780	1,649
Over or (Short)	--	1,114	(1,114)
Discount Earned	<u>--</u>	<u>66</u>	<u>(66)</u>
Total Other Income	<u>20,935</u>	<u>12,164</u>	<u>8,771</u>
Net Income	<u>15,540</u>	<u>12,247</u>	<u>3,293</u>



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Comparative Statement of Income and Retained Earnings (Continued)
For the Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>	Increase (Decrease)
Net Income Brought Forward	15,540	12,247	3,293
Retained Earnings Beginning of Year	<u>122,835</u>	<u>117,214</u>	<u>5,621</u>
	138,375	129,461	8,914
Add:			
Reimbursement Waived	<u>34,347</u>	<u>23,087</u>	<u>11,260</u>
	172,722	152,548	20,174
Less:			
Expended for Patients' Welfare	<u>62,920</u>	<u>29,713</u>	<u>33,207</u>
Retained Earnings End of Year	<u>\$109,802</u>	<u>122,835</u>	<u>(13,033)</u>

See Accompanying Notes to Financial Statements.

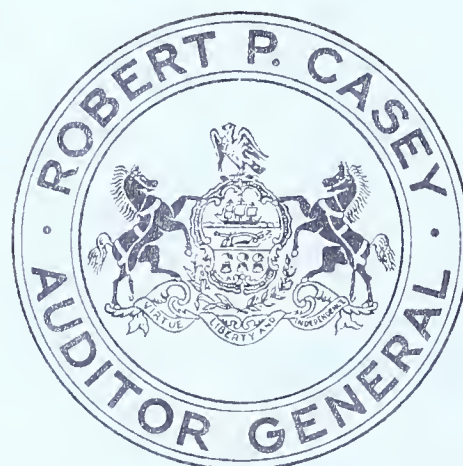


COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Comparative Statement of Income and Retained Earnings
For the Years Ended June 30, 1974 and 1973

	<u>1974</u>	<u>1973</u>	Increase (Decrease)
Sales	<u>\$289,820</u>	<u>294,205</u>	<u>(4,385)</u>
Cost of Sales:			
Inventory Beginning of Year	11,528	11,444	84
Purchases	<u>184,182</u>	<u>191,971</u>	<u>(7,789)</u>
	195,710	203,415	(7,705)
Inventory End of Year	<u>12,561</u>	<u>11,528</u>	<u>1,033</u>
Cost of Sales	<u>183,149</u>	<u>191,887</u>	<u>(8,738)</u>
Gross Profit on Sales	<u>106,671</u>	<u>102,318</u>	<u>4,353</u>
Operating Expenses:			
Salaries	66,759	63,599	3,160
Patient Help	5,994	6,907	(913)
Social Security Tax	4,110	3,529	581
State Retirement	4,959	3,816	1,143
Hospitalization	2,553	1,240	1,313
Life Insurance	528	374	154
State Health and Welfare	348	--	348
General Store Expense (Supplies)	6,126	6,669	(543)
Printing Coupons	1,801	1,059	742
Repairs	10,964	692	10,272
Depreciation (Straight-Line Method)	<u>2,446</u>	<u>2,446</u>	<u>--</u>
Total Operating Expenses	<u>106,588</u>	<u>90,331</u>	<u>16,257</u>
Net Profit from Operations	<u>83</u>	<u>11,987</u>	<u>(11,904)</u>
Other Income:			
Commission on Vending Machines	9,009	2,755	6,254
Interest Earned	1,195	2,092	(897)
Other Income	780	39	741
Sale of Vending Machine	--	40	(40)
Over and (Short)	1,114	1,617	(503)
Discount Earned	<u>66</u>	<u>1,196</u>	<u>(1,130)</u>
Total Other Income	<u>12,164</u>	<u>7,739</u>	<u>4,425</u>
Net Income	12,247	19,726	(7,479)



COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Comparative Statement of Income and Retained Earnings (Continued)
For the Years Ended June 30, 1974 and 1973

	<u>1974</u>	<u>1973</u>	Increase (Decrease)
Net Income Brought Forward	12,247	19,726	(7,479)
Retained Earnings Beginning of Year	<u>117,214</u>	<u>74,335</u>	<u>42,879</u>
	129,461	94,061	35,400
Add:			
Correction Previous Year Reserve			
Liabilities Account, July 1, 1972	--	12,595	(12,595)
Refund of Interest from Harrisburg	--	17,625	(17,625)
28% Salaries and Related Expense			
Reimbursement Waived	23,087	20,895	2,192
Adjustment, Coupon Book Account	<u>--</u>	<u>2,258</u>	<u>(2,258)</u>
	<u>152,548</u>	<u>147,434</u>	<u>5,114</u>
Less:			
Transferred to Restricted Account	--	8,220	(8,220)
Expended for Patients' Welfare	<u>29,713</u>	<u>22,000</u>	<u>7,713</u>
	<u>29,713</u>	<u>30,220</u>	<u>(507)</u>
Retained Earnings End of Year	<u><u>\$122,835</u></u>	<u><u>117,214</u></u>	<u><u>5,621</u></u>

See Accompanying Notes to Financial Statements.

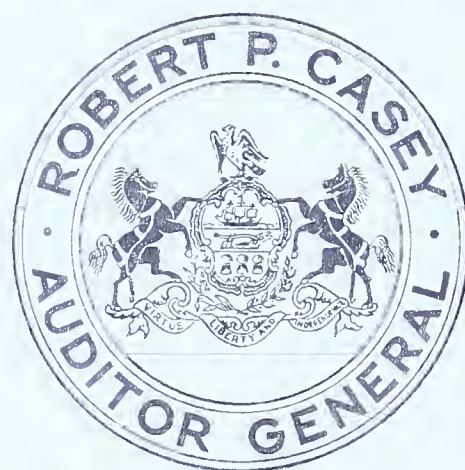


COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
MAYVIEW STATE HOSPITAL

Little Store Fund
Notes to Financial Statements
June 30, 1975

Note: Management of the Little Store Fund is vested in a committee of Hospital employees appointed by the superintendent as prescribed in the Department of Public Welfare Manual. Meeting once a month, the committee sets management policy and program activities made possible thru the profits of the Fund.



COMMONWEALTH OF PENNSYLVANIA